



QUARTERLY STATEMENT
AS OF March 31, 2010
OF THE CONDITION AND AFFAIRS OF THE
HEALTH RIGHT, INC.

| | | | | | | |
|---------------------------------------|---|------------------------|--|----------------------|--|------------|
| NAIC Group Code | 0000 (Current Period) | 0000 (Prior Period) | NAIC Company Code | 95787 | Employer's ID Number | 52-2011721 |
| Organized under the Laws of | District of Columbia | | State of Domicile or Port of Entry | District of Columbia | | |
| Country of Domicile | United States of America | | | | | |
| Licensed as business type: | Life, Accident & Health[] Dental Service Corporation[] Other[] | | Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[X] N/A[] | | Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X] | |
| Incorporated/Organized | 11/01/1996 | | Commenced Business | 05/01/1998 | | |
| Statutory Home Office | 1101 14th Street, N.W. Suite 900 (Street and Number) | | Washington, DC 20005 (City, or Town, State and Zip Code) | | | |
| Main Administrative Office | | | 1101 14th Street (Street and Number) | | | |
| | Washington, DC 20005 (City or Town, State and Zip Code) | | (202)218-0373 (Area Code) (Telephone Number) | | | |
| Mail Address | 1101 14th Street, N.W. Suite 900 (Street and Number or P.O. Box) | | Washington, DC 20005 (City, or Town, State and Zip Code) | | | |
| Primary Location of Books and Records | | | 1101 14th Street, N.W. Suite 900 (Street and Number) | | | |
| | Washington, DC 20005 (City, or Town, State and Zip Code) | | (202)218-0373 (Area Code) (Telephone Number) | | | |
| Internet Web Site Address | www.healthright-dc.com | | | | | |
| Statutory Statement Contact | Mark Francis Yanson (Name) | | (202)218-0373-160 (Area Code)(Telephone Number)(Extension) | | | |
| | mark.yanson@healthright-dc.com (E-Mail Address) | | (202)218-0371 (Fax Number) | | | |

OFFICERS

| Name | Title |
|-------------------------|---------------------------|
| Vincent Augustine Keane | Chairman |
| Donna Marie Carris | Chief Exceutive Officer |
| David Thomas Gutwald | Chief Operating Officer # |
| Mark Francis Yanson | Chief Financial Officer # |

OTHERS

DIRECTORS OR TRUSTEES

| | |
|-------------------------|------------------------|
| Marlene Kelley | Charles Kenneth Barber |
| Richard Clayton Bohrer | Roberta Miliman |
| Vincent Augustine Keane | |

State of District of Columbia
County of ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

| | | |
|--|--------------------------------|----------------|
| (Signature) | (Signature) | (Signature) |
| Vincent Augustine Keane | Mark Francis Yanson | 0 |
| (Printed Name) | (Printed Name) | (Printed Name) |
| 1. | 2. | 3. |
| Chairman | Chief Financial Officer | 0 |
| (Title) | (Title) | (Title) |
| Subscribed and sworn to before me this | a. Is this an original filing? | Yes[X] No[] |
| 12th day of May, 2010 | b. If no, | |
| | 1. State the amendment number | |
| | 2. Date filed | |
| | 3. Number of pages attached | |
| (Notary Public Signature) | | |

ASSETS

| | | Current Statement Date | | | 4 |
|----------------------|--|------------------------|--------------------|-----------------------------------|---|
| | | 1 | 2 | 3 | |
| | | Assets | Nonadmitted Assets | Net Admitted Assets (Cols. 1 - 2) | December 31, Prior Year Net Admitted Assets |
| 1. | Bonds | | | | |
| 2. | Stocks: | | | | |
| 2.1 | Preferred stocks | | | | |
| 2.2 | Common stocks | | | | |
| 3. | Mortgage loans on real estate: | | | | |
| 3.1 | First liens | | | | |
| 3.2 | Other than first liens | | | | |
| 4. | Real estate: | | | | |
| 4.1 | Properties occupied by the company (less \$.....0 encumbrances) | | | | |
| 4.2 | Properties held for the production of income (less \$.....0 encumbrances) | | | | |
| 4.3 | Properties held for sale (less \$.....0 encumbrances) | | | | |
| 5. | Cash (\$.....353,209), cash equivalents (\$.....25,661,000) and short-term investments (\$.....5,111,719) | 31,125,928 | | 31,125,928 | 28,195,652 |
| 6. | Contract loans (including \$.....0 premium notes) | | | | |
| 7. | Derivatives | | | | |
| 8. | Other invested assets | | | | |
| 9. | Receivables for securities | | | | |
| 10. | Aggregate write-ins for invested assets | | | | |
| 11. | Subtotals, cash and invested assets (Lines 1 to 10) | 31,125,928 | | 31,125,928 | 28,195,652 |
| 12. | Title plants less \$.....0 charged off (for Title insurers only) | | | | |
| 13. | Investment income due and accrued | | | | |
| 14. | Premiums and considerations: | | | | |
| 14.1 | Uncollected premiums and agents' balances in the course of collection | | | | |
| 14.2 | Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums) | | | | |
| 14.3 | Accrued retrospective premiums | | | | |
| 15. | Reinsurance: | | | | |
| 15.1 | Amounts recoverable from reinsurers | | | | |
| 15.2 | Funds held by or deposited with reinsured companies | | | | |
| 15.3 | Other amounts receivable under reinsurance contracts | 34,583 | | 34,583 | 304,527 |
| 16. | Amounts receivable relating to uninsured plans | | | | |
| 17.1 | Current federal and foreign income tax recoverable and interest thereon | 1,442,675 | | 1,442,675 | 3,166,034 |
| 17.2 | Net deferred tax asset | 129,072 | 129,072 | | |
| 18. | Guaranty funds receivable or on deposit | | | | |
| 19. | Electronic data processing equipment and software | 1,078,535 | 881,535 | 197,000 | 225,000 |
| 20. | Furniture and equipment, including health care delivery assets (\$.....0) | 145,787 | 145,787 | | 0 |
| 21. | Net adjustments in assets and liabilities due to foreign exchange rates | | | | |
| 22. | Receivables from parent, subsidiaries and affiliates | 1,081,600 | | 1,081,600 | 1,081,600 |
| 23. | Health care (\$.....0) and other amounts receivable | | | | |
| 24. | Aggregate write-ins for other than invested assets | 829,234 | 157,435 | 671,799 | 991,403 |
| 25. | Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 to 24) | 35,867,413 | 1,313,829 | 34,553,584 | 33,964,216 |
| 26. | From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | | |
| 27. | Total (Lines 25 and 26) | 35,867,413 | 1,313,829 | 34,553,584 | 33,964,216 |
| DETAILS OF WRITE-INS | | | | | |
| 1001. | 0 | | | | |
| 1002. | 0 | | | | |
| 1003. | 0 | | | | |
| 1098. | Summary of remaining write-ins for Line 10 from overflow page | | | | |
| 1099. | TOTALS (Lines 1001 through 1003 plus 1098) (Line 10 above) | | | | |
| 2401. | DC Income Tax Receivable | 671,800 | | 671,800 | 671,800 |
| 2402. | Other Prepaid Expenses | 153,234 | 153,235 | (1) | 1 |
| 2403. | Deposits | 4,200 | 4,200 | | |
| 2498. | Summary of remaining write-ins for Line 24 from overflow page | | | | 319,602 |
| 2499. | TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above) | 829,234 | 157,435 | 671,799 | 991,403 |

LIABILITIES, CAPITAL AND SURPLUS

| | | Current Period | | | Prior Year |
|----------------------|---|----------------|----------------|------------|------------|
| | | 1 Covered | 2 Uncovered | 3 Total | 4 Total |
| 1. | Claims unpaid (less \$.....0 reinsurance ceded) | 26,146,709 | | 26,146,709 | 24,975,548 |
| 2. | Accrued medical incentive pool and bonus amounts | | | | |
| 3. | Unpaid claims adjustment expenses | 612,000 | | 612,000 | 612,000 |
| 4. | Aggregate health policy reserves | | | | |
| 5. | Aggregate life policy reserves | | | | |
| 6. | Property/casualty unearned premium reserve | | | | |
| 7. | Aggregate health claim reserves | | | | |
| 8. | Premiums received in advance | | | | |
| 9. | General expenses due or accrued | 1,247,016 | | 1,247,016 | 1,143,605 |
| 10.1 | Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)) | | | | |
| 10.2 | Net deferred tax liability | | | | |
| 11. | Ceded reinsurance premiums payable | | | | |
| 12. | Amounts withheld or retained for the account of others | | | | |
| 13. | Remittances and items not allocated | | | | |
| 14. | Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) | | | | |
| 15. | Amounts due to parent, subsidiaries and affiliates | 100,404 | | 100,404 | 149,041 |
| 16. | Derivatives | | | | |
| 17. | Payable for securities | | | | |
| 18. | Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers) | | | | |
| 19. | Reinsurance in unauthorized companies | | | | |
| 20. | Net adjustments in assets and liabilities due to foreign exchange rates | | | | |
| 21. | Liability for amounts held under uninsured plans | | | | |
| 22. | Aggregate write-ins for other liabilities (including \$.....0 current) | | | | |
| 23. | Total liabilities (Lines 1 to 22) | 28,106,129 | | 28,106,129 | 26,880,194 |
| 24. | Aggregate write-ins for special surplus funds | X X X | X X X | | |
| 25. | Common capital stock | X X X | X X X | 1,651,000 | 1,651,000 |
| 26. | Preferred capital stock | X X X | X X X | | |
| 27. | Gross paid in and contributed surplus | X X X | X X X | | |
| 28. | Surplus notes | X X X | X X X | | |
| 29. | Aggregate write-ins for other than special surplus funds | X X X | X X X | | |
| 30. | Unassigned funds (surplus) | X X X | X X X | 6,096,455 | 6,733,022 |
| 31. | Less treasury stock, at cost: | | | | |
| 31.1 |0 shares common (value included in Line 25 \$.....0) | X X X | X X X | 1,300,000 | 1,300,000 |
| 31.2 |0 shares preferred (value included in Line 26 \$.....0) | X X X | X X X | | |
| 32. | Total capital and surplus (Lines 24 to 30 minus Line 31) | X X X | X X X | 6,447,455 | 7,084,022 |
| 33. | Total Liabilities, capital and surplus (Lines 23 and 32) | X X X | X X X | 34,553,584 | 33,964,216 |
| DETAILS OF WRITE-INS | | | | | |
| 2201. | | | | | |
| 2202. | | | | | |
| 2203. | | | | | |
| 2298. | Summary of remaining write-ins for Line 22 from overflow page | | | | |
| 2299. | TOTALS (Lines 2201 through 2203 plus 2298) (Line 22 above) | | | | |
| 2401. | | X X X | X X X | | |
| 2402. | | X X X | X X X | | |
| 2403. | | X X X | X X X | | |
| 2498. | Summary of remaining write-ins for Line 24 from overflow page | X X X | X X X | | |
| 2499. | TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above) | X X X | X X X | | |
| 2901. | | X X X | X X X | | |
| 2902. | | X X X | X X X | | |
| 2903. | | X X X | X X X | | |
| 2998. | Summary of remaining write-ins for Line 29 from overflow page | X X X | X X X | | |
| 2999. | TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) | X X X | X X X | | |

STATEMENT OF REVENUE AND EXPENSES

| | | Current Year To Date | | Prior Year To Date | Prior Year Ended December 31 |
|------------------------------|---|----------------------|------------|--------------------|------------------------------|
| | | 1 Uncovered | 2 Total | 3 Total | 4 Total |
| 1. | Member Months | X X X | 130,430 | 116,738 | 452,668 |
| 2. | Net premium income (including \$.....0 non-health premium income) | X X X | 27,169,849 | 24,912,298 | 106,684,352 |
| 3. | Change in unearned premium reserves and reserves for rate credits | X X X | | | |
| 4. | Fee-for-service (net of \$.....0 medical expenses) | X X X | | | |
| 5. | Risk revenue | X X X | | | |
| 6. | Aggregate write-ins for other health care related revenues | X X X | | | |
| 7. | Aggregate write-ins for other non-health revenues | X X X | | | |
| 8. | Total revenues (Lines 2 to 7) | X X X | 27,169,849 | 24,912,298 | 106,684,352 |
| Hospital and Medical: | | | | | |
| 9. | Hospital/medical benefits | | 14,671,376 | 23,716,238 | 67,893,892 |
| 10. | Other professional services | | 8,168,837 | 4,552,720 | 23,247,838 |
| 11. | Outside referrals | | | | |
| 12. | Emergency room and out-of-area | | 499,849 | 437,187 | 2,537,314 |
| 13. | Prescription drugs | | 1,973,007 | 2,150,483 | 7,862,480 |
| 14. | Aggregate write-ins for other hospital and medical | | 3,581 | 7,008 | 18,906 |
| 15. | Incentive pool, withhold adjustments and bonus amounts | | | | |
| 16. | Subtotal (Lines 9 to 15) | | 25,316,650 | 30,863,636 | 101,560,429 |
| Less: | | | | | |
| 17. | Net reinsurance recoveries | | | | 147,280 |
| 18. | Total hospital and medical (Lines 16 minus 17) | | 25,316,650 | 30,863,636 | 101,413,149 |
| 19. | Non-health claims (net) | | | | |
| 20. | Claims adjustment expenses, including \$.....0 cost containment expenses | | 230,490 | 401,311 | 564,758 |
| 21. | General administrative expenses | | 2,243,707 | 1,495,811 | 8,482,710 |
| 22. | Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) | | | | |
| 23. | Total underwriting deductions (Lines 18 through 22) | | 27,790,847 | 32,760,758 | 110,460,617 |
| 24. | Net underwriting gain or (loss) (Lines 8 minus 23) | X X X | (620,998) | (7,848,460) | (3,776,265) |
| 25. | Net investment income earned | | 28,529 | 48,243 | 75,815 |
| 26. | Net realized capital gains (losses) less capital gains tax of \$.....0 | | | | |
| 27. | Net investment gains or (losses) (Lines 25 plus 26) | | 28,529 | 48,243 | 75,815 |
| 28. | Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] | | | | |
| 29. | Aggregate write-ins for other income or expenses | | | | |
| 30. | Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) | X X X | (592,468) | (7,800,217) | (3,700,450) |
| 31. | Federal and foreign income taxes incurred | X X X | | | (1,393,884) |
| 32. | Net income (loss) (Lines 30 minus 31) | X X X | (592,468) | (7,800,217) | (2,306,566) |
| DETAILS OF WRITE-INS | | | | | |
| 0601. | | X X X | | | |
| 0602. | | X X X | | | |
| 0603. | | X X X | | | |
| 0698. | Summary of remaining write-ins for Line 6 from overflow page | X X X | | | |
| 0699. | TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) | X X X | | | |
| 0701. | | X X X | | | |
| 0702. | | X X X | | | |
| 0703. | | X X X | | | |
| 0798. | Summary of remaining write-ins for Line 7 from overflow page | X X X | | | |
| 0799. | TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above) | X X X | | | |
| 1401. | Transportation | | | 6,180 | 9,960 |
| 1402. | Translation | | 3,581 | 828 | 8,946 |
| 1403. | | | | | |
| 1498. | Summary of remaining write-ins for Line 14 from overflow page | | | | |
| 1499. | TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) | | 3,581 | 7,008 | 18,906 |
| 2901. | | | | | |
| 2902. | | | | | |
| 2903. | | | | | |
| 2998. | Summary of remaining write-ins for Line 29 from overflow page | | | | |
| 2999. | TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) | | | | |

STATEMENT OF REVENUE AND EXPENSES (Continued)

| | | 1 | 2 | 3 |
|--------------------------------------|--|-------------------------|-----------------------|------------------------------------|
| | | Current Year To Date | Prior Year To Date | Prior Year Ended December 31 |
| CAPITAL & SURPLUS ACCOUNT | | | | |
| 33. | Capital and surplus prior reporting year | 7,084,022 | 9,502,058 | 9,502,058 |
| 34. | Net income or (loss) from Line 32 | (592,468) | (7,800,217) | (2,306,566) |
| 35. | Change in valuation basis of aggregate policy and claim reserves | | | |
| 36. | Change in net unrealized capital gains (losses) less capital gains tax of \$.....0 | | | |
| 37. | Change in net unrealized foreign exchange capital gain or (loss) | | | |
| 38. | Change in net deferred income tax | | | (354,469) |
| 39. | Change in nonadmitted assets | (44,100) | (132,018) | (322,816) |
| 40. | Change in unauthorized reinsurance | | | |
| 41. | Change in treasury stock | | | |
| 42. | Change in surplus notes | | | |
| 43. | Cumulative effect of changes in accounting principles | | | |
| 44. | Capital Changes: | | | |
| 44.1 | Paid in | | | |
| 44.2 | Transferred from surplus (Stock Dividend) | | | |
| 44.3 | Transferred to surplus | | | |
| 45. | Surplus adjustments: | | | |
| 45.1 | Paid in | | | |
| 45.2 | Transferred to capital (Stock Dividend) | | | |
| 45.3 | Transferred from capital | | | |
| 46. | Dividends to stockholders | | | |
| 47. | Aggregate write-ins for gains or (losses) in surplus | | (440,236) | 565,816 |
| 48. | Net change in capital and surplus (Lines 34 to 47) | (636,568) | (8,372,471) | (2,418,035) |
| 49. | Capital and surplus end of reporting period (Line 33 plus 48) | 6,447,454 | 1,129,587 | 7,084,022 |
| DETAILS OF WRITE-INS | | | | |
| 4701. | Adjustments to annual filing pursuant to subsequent audit | | (440,236) | 565,816 |
| 4702. | | | | |
| 4703. | | | | |
| 4798. | Summary of remaining write-ins for Line 47 from overflow page | | | |
| 4799. | TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) | | (440,236) | 565,816 |

CASH FLOW

| | | 1 Current Year To Date | 2 Prior Year To Date | 3 Prior Year Ended December 31 |
|--|--|---------------------------------|-------------------------------|---|
| Cash from Operations | | | | |
| 1. | Premiums collected net of reinsurance | 27,439,793 | 27,695,769 | 106,379,825 |
| 2. | Net investment income | 28,529 | 48,243 | 75,815 |
| 3. | Miscellaneous income | | | |
| 4. | Total (Lines 1 to 3) | 27,468,323 | 27,744,012 | 106,455,640 |
| 5. | Benefit and loss related payments | 24,145,489 | 31,397,663 | 99,837,339 |
| 6. | Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | |
| 7. | Commissions, expenses paid and aggregate write-ins for deductions | 2,370,784 | 1,659,565 | 8,446,458 |
| 8. | Dividends paid to policyholders | | | |
| 9. | Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) | (1,723,359) | | (863,172) |
| 10. | Total (Lines 5 through 9) | 24,792,914 | 33,057,228 | 107,420,625 |
| 11. | Net cash from operations (Line 4 minus Line 10) | 2,675,409 | (5,313,216) | (964,985) |
| Cash from Investments | | | | |
| 12. | Proceeds from investments sold, matured or repaid: | | | |
| 12.1 | Bonds | | | |
| 12.2 | Stocks | | | |
| 12.3 | Mortgage loans | | | |
| 12.4 | Real estate | | | |
| 12.5 | Other invested assets | | | |
| 12.6 | Net gains or (losses) on cash, cash equivalents and short-term investments | | | |
| 12.7 | Miscellaneous proceeds | | | |
| 12.8 | Total investment proceeds (Lines 12.1 to 12.7) | | | |
| 13. | Cost of investments acquired (long-term only): | | | |
| 13.1 | Bonds | | | |
| 13.2 | Stocks | | | |
| 13.3 | Mortgage loans | | | |
| 13.4 | Real estate | | | |
| 13.5 | Other invested assets | | | |
| 13.6 | Miscellaneous applications | | | |
| 13.7 | Total investments acquired (Lines 13.1 to 13.6) | | | |
| 14. | Net increase (or decrease) in contract loans and premium notes | | | |
| 15. | Net cash from investments (Line 12.8 minus Lines 13.7 and 14) | | | |
| Cash from Financing and Miscellaneous Sources | | | | |
| 16. | Cash provided (applied): | | | |
| 16.1 | Surplus notes, capital notes | | | |
| 16.2 | Capital and paid in surplus, less treasury stock | | | |
| 16.3 | Borrowed funds | | | |
| 16.4 | Net deposits on deposit-type contracts and other insurance liabilities | | | |
| 16.5 | Dividends to stockholders | | | |
| 16.6 | Other cash provided (applied) | 254,867 | | 234,521 |
| 17. | Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6) | 254,867 | | 234,521 |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS | | | | |
| 18. | Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) | 2,930,276 | (5,313,216) | (730,465) |
| 19. | Cash, cash equivalents and short-term investments: | | | |
| 19.1 | Beginning of year | 28,195,652 | 28,926,117 | 28,926,117 |
| 19.2 | End of period (Line 18 plus Line 19.1) | 31,125,928 | 23,612,901 | 28,195,652 |
| Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions: | | | | |
| 20.0001 | | | | |

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

| | 1 Total | Comprehensive (Hospital & Medical) | | 4 Medicare Supplement | 5 Vision Only | 6 Dental Only | 7 Federal Employees Health Benefit Plan | 8 Title XVIII Medicare | 9 Title XIX Medicaid | 10 Other |
|---|----------------|------------------------------------|----------------|------------------------------|----------------------|----------------------|--|-------------------------------|-----------------------------|-----------------|
| | | 2 Individual | 3 Group | | | | | | | |
| Total Members at end of: | | | | | | | | | | |
| 1. Prior Year | 42,397 | 17,963 | | | | | | | 21,351 | 3,083 |
| 2. First Quarter | 43,973 | 19,182 | | | | | | | 21,921 | 2,870 |
| 3. Second Quarter | | | | | | | | | | |
| 4. Third Quarter | | | | | | | | | | |
| 5. Current Year | | | | | | | | | | |
| 6. Current Year Member Months | 130,430 | 56,262 | | | | | | | 65,520 | 8,648 |
| Total Member Ambulatory Encounters for Period: | | | | | | | | | | |
| 7. Physician | 31,851 | 15,845 | | | | | | | 14,180 | 1,826 |
| 8. Non-Physician | 12,116 | 6,289 | | | | | | | 5,552 | 275 |
| 9. Total | 43,967 | 22,134 | | | | | | | 19,732 | 2,101 |
| 10. Hospital Patient Days Incurred | 2,987 | 1,410 | | | | | | | 1,400 | 177 |
| 11. Number of Inpatient Admissions | 574 | 267 | | | | | | | 277 | 30 |
| 12. Health Premiums Written (a) | 27,169,849 | 10,825,640 | | | | | | | 14,821,896 | 1,522,313 |
| 13. Life Premiums Direct | | | | | | | | | | |
| 14. Property/Casualty Premiums Written | | | | | | | | | | |
| 15. Health Premiums Earned | 27,169,849 | 10,825,640 | | | | | | | 14,821,896 | 1,522,313 |
| 16. Property/Casualty Premiums Earned | | | | | | | | | | |
| 17. Amount Paid for Provision of Health Care Services | | | | | | | | | | |
| 18. Amount Incurred for Provision of Health Care Services | 25,316,650 | 9,526,123 | | | | | | | 14,703,365 | 1,087,162 |

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.0.

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

| Aging Analysis of Unpaid Claims | | | | | | |
|--|------------------|-------------------|-------------------|--------------------|--------------------|------------|
| 1 Account | 2 1 - 30 Days | 3 31 - 60 Days | 4 61 - 90 Days | 5 91 - 120 days | 6 Over 120 Days | 7 Total |
| Individually Listed Claims Unpaid | | | | | | |
| Quality Plan Administration | 1,053,330 | | | | | 1,053,330 |
| Caremark | 382,379 | | | | | 382,379 |
| 0199999 Individually Listed Claims Unpaid | 1,435,709 | | | | | 1,435,709 |
| 0299999 Aggregate Accounts Not Individually Listed - Uncovered | | | | | | |
| 0399999 Aggregate Accounts Not Individually Listed - Covered | | | | | | |
| 0499999 Subtotals | 1,435,709 | | | | | 1,435,709 |
| 0599999 Unreported claims and other claim reserves | | | | | | 24,711,000 |
| 0699999 Total Amounts Withheld | | | | | | |
| 0799999 Total Claims Unpaid | | | | | | 26,146,709 |
| 0899999 Accrued Medical Incentive Pool And Bonus Amounts | | | | | | |

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

| Line of Business | | Claims Paid Year to Date | | Liability End of Current Quarter | | 5 | 6 |
|------------------------|---|--|---|--|---|--|---|
| | | 1 | 2 | 3 | 4 | Claims Incurred in Prior Years (Columns 1+3) | Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year |
| | | On Claims Incurred Prior to January 1 of Current Year | On Claims Incurred During the Year | On Claims Unpaid Dec.31 of Prior Year | On Claims Incurred During the Year | | |
| 1. | Comprehensive (hospital & medical) | 11,145,724 | 2,868,899 | 4,130,568 | 9,587,604 | 15,276,292 | 10,567,347 |
| 2. | Medicare Supplement | | | | | | |
| 3. | Dental only | | | | | | |
| 4. | Vision only | | | | | | |
| 5. | Federal Employees Health Benefits Plan | | | | | | |
| 6. | Title XVIII - Medicare | | | | | | |
| 7. | Title XIX - Medicaid | 7,061,335 | 2,028,438 | 3,178,981 | 8,150,126 | 10,240,316 | 13,059,230 |
| 8. | Other health | 745,049 | 296,074 | 198,786 | 900,644 | 943,835 | 1,349,000 |
| 9. | Health subtotal (Lines 1 to 8) | 18,952,108 | 5,193,411 | 7,508,335 | 18,638,374 | 26,460,442 | 24,975,578 |
| 10. | Healthcare receivables (a) | | | | | | |
| 11. | Other non-health | | | | | | |
| 12. | Medical incentive pools and bonus amounts | | | | | | |
| 13. | Totals | 18,952,108 | 5,193,411 | 7,508,335 | 18,638,374 | 26,460,442 | 24,975,578 |

(a) Excludes \$.00 loans or advances to providers not yet expensed.

Notes to Financial Statement

HEALTH RIGHT, INC.

Notes To Financial Statement

Note 1. **Summary of Significant Accounting Policies**

- A. Accounting Practices** - The accompanying financial statements of Health Right, Inc. (HRI) are presented on the basis of accounting practices prescribed or permitted by the District of Columbia's Department of Insurance and Securities Regulations (DISR).
- The District of Columbia Department of Insurance and Securities Regulations recognizes only statutory accounting practices prescribed or permitted by the District of Columbia for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the District of Columbia Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, version effective March 2005 (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the District of Columbia.
- B. Use of Estimates in the Preparation of the Financial Statements** – The preparation of financial statements in conformity with the NAIC Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- C. Accounting Policy** – HRI records premium revenues based on its membership records. Premiums are due monthly and are recognized as revenue during the period in which HRI is obliged to provide service to members.

In addition, HRI uses the following accounting policies:

- 1) Short-term investments consist of readily marketable securities with maturities greater than three months but less than one year at the time of purchase.
- 2) None.
- 3) Unpaid claims and loss adjustment expenses include an amount determined from individual case estimates and claim reports and an amount, based on past experience, for claims incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
- 4) HRI has not modified its capitalization policy from the prior period.

Note 2. **Accounting Changes and Corrections of Errors**

None.

Note 3. **Business Combinations and Goodwill**

None.

Note 4. **Discontinued Operations**

None.

Notes to Financial Statement

Note 5. Investments

Mortgage Loans, Debt Restructuring, Reverse Mortgages, Loan-Backed Securities Repurchase Agreements, or Real Estate – None.

Note 6. Joint Ventures, Partnerships and Limited Liability Companies

None.

Note 7. Investment Income

HRI reports only investment income that is earned as due and accrued.

Note 8. Derivative Instruments

None.

Note 9. Income Taxes

| | December 31, 2009 | December 31, 2008 | Change |
|---|-------------------------|-------------------------|-----------|
| Total gross deferred tax assets (admitted and nonadmitted) | 589,803 | 483,541 | 106,262 |
| Valuation allowance | (328,806) | | (328,806) |
| Total adjusted gross deferred tax assets (admitted and nonadmitted) | 260,997 | 483,541 | (222,544) |
| Total deferred tax liabilities | (131,925) | 0 | (131,925) |
| Net adjusted deferred tax assets | 129,072 | 483,541 | (354,469) |
| Total deferred tax assets nonadmitted in accordance with SSAP No. 10R, Income Taxes | (129,072) | (17,590) | (111,482) |
| Net admitted deferred tax asset | (0) | 465,951 | (465,951) |

The Company has not elected to admit deferred tax assets pursuant to SSAP 10R paragraph 10. e. for 2009
For 2009, the Company determined a valuation allowance of 328,806 was necessary.
For 2008, under SSAP No. 10, there was no statutory requirement to establish a valuation allowance.

- B. The Company has not recognized DTL's for the following:
- 1. N/A
 - 2. N/A
 - 3. N/A
 - 4. N/A

C. Current income taxes incurred consist of the following major components

| | 2009 | 2008 |
|---|-------------|-------------|
| Federal tax on operations | (1,218,675) | (1,272,150) |
| Federal tax on realized gains (losses) | 0 | 0 |
| Foreign tax | | |
| Prior year taxes | (175,209) | 0 |
| Federal and foreign income taxes incurred | (1,393,884) | (1,272,150) |

The main components of the 2008 deferred tax amounts are as follows:

| | Statutory | Tax | Difference | Tax Effect |
|--|------------|-------------|------------|------------|
| DTAs | | | | |
| Losses and Loss Adjustment Expenses | 25,587,548 | 25,083,422 | 504,126 | 171,403 |
| Charitable Contributions Carryforward | 0 | (89,931) | 89,931 | 30,577 |
| Nonadmitted assets | 0 | (1,140,658) | 1,140,658 | 387,823 |
| Total DTAs | 25,587,548 | 23,852,833 | 1,734,715 | 589,803 |
| Valuation Allowance | | | | (328,806) |
| Adjusted DTAs | | | | 260,997 |
| DTAs nonadmitted | | | | (129,072) |
| Admitted DTAs | | | | 131,925 |
| DTLs | | | | |
| Section 481 Adjustment--Loss Reserve Discounting | 0 | (388,015) | 388,015 | 131,925 |
| Total DTLs | 0 | (388,015) | 388,015 | 131,925 |
| Net admitted DTA | | | | 0 |

The changes in the main components of DTAs and DTLs are as follows:

| | 2009 | 2008 | Change |
|--|---------|---------|---------|
| DTAs resulting from book/tax differences in (all ordinary) | | | |
| Losses and Loss Adjustment Expenses | 171,403 | 175,900 | (4,497) |
| Charitable Contributions Carryforward | 30,577 | 30,577 | (0) |
| Nonadmitted assets | 387,824 | 277,065 | 110,759 |
| Total DTAs | 589,803 | 483,541 | 106,262 |

Notes to Financial Statement

| | | | |
|---------------------|-----------|----------|-----------|
| Valuation Allowance | (328,806) | | (328,806) |
| Adjusted DTAs | 260,997 | 483,541 | (222,544) |
| DTAs not admitted | (129,072) | (17,590) | (111,482) |
| Gross Admitted DTAs | 131,925 | 465,951 | (334,026) |

| | | | |
|--|---------|---------|-----------|
| DTLs resulting from book/tax differences in | 2009 | 2008 | Change |
| Section 481 Adjustment--Loss Reserve Discounting | 131,925 | 0 | 131,925 |
| Total DTLs | 131,925 | 0 | 131,925 |
| Net admitted DTA | (0) | 465,951 | (465,951) |

D. The provision for Federal and foreign income taxes incurred is different from that which would be obtained by applying the statutory Federal income rate to income before income taxes. The significant items causing this difference are as follows:

| | | |
|--|-------------|----------------|
| Effective tax rate reconciliation (total of current and deferred) | | |
| | Tax | Effective Rate |
| Income tax expense (benefit) computed at statutory tax rate | (1,258,153) | 34.0% |
| Change in Valuation Allowance | 328,806 | -8.9% |
| Prior year under (over) accrual | 691 | 0.0% |
| Total statutory income tax expense (benefit) | (928,656) | 25.1% |
| Recap: | Tax | Effective Rate |
| Current Federal and foreign income taxes incurred per statement of income | (1,393,884) | 37.7% |
| Deferred tax expense (benefit) related to statement of income but reflected in surplus | 465,228 | -12.6% |
| Total statutory income tax expense (benefit) | (928,656) | 25.1% |

| | | | |
|--|-------------|-------------|----------------|
| Current Income tax incurred (benefit) per statement of income: | Amount | Tax Effect | Effective Rate |
| Net gain from operations | (3,700,450) | (1,258,153) | 34.0% |
| Tax adjustments: | | | |
| Loss Reserve Discounting | (13,227) | (4,497) | 0.1% |
| Section 481 Adjustment--Loss Reserve Discounting | 129,338 | 43,975 | -1.2% |
| Prior year under (over) accrual | | (175,209) | 4.7% |
| Total Federal taxable income and income tax incurred | (3,584,339) | (1,393,884) | 37.7% |

| | | |
|---|-----------|----------------|
| Deferred Income tax expense (benefit) in surplus: | | |
| | Tax | Effective Rate |
| Change in net admitted DTA--expense or (benefit) (per 9A above) | 465,951 | -12.6% |
| Less items unrelated to statement of operations: | | |
| Change in DTA netted against unrealized capital gains | 0 | 0.0% |
| Change in DTA nonadmitted | (111,482) | 3.0% |
| Change in DTA related to other nonadmitted assets | 110,759 | -3.0% |
| Deferred tax expense (benefit) related to statement of income | 465,228 | -12.6% |

- E. Loss carryforwards and potential tax recoveries:
- At December 31, 2009 the company had no net operating loss carryforwards.
 - The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:
 - 2009 \$0
 - 2008 \$0
 - The Company has not made any deposits under Section 6603 of the Internal Revenue Code as of December 31, 2009

- F. Federal tax allocation
- The company's federal income tax return is not consolidated with those of any other entity or entities.
 - N/A

G. A summary of the Company's adjusted admitted gross DTA calculation by component and character for the year ended December 31, 2009 as outlined in SSAP 10R is as follows:

| Component | Character | |
|--|-----------|---------|
| Adjusted gross deferred tax assets at enacted rate | | 260,997 |
| Admitted gross deferred tax assets (para 10.a.) | N/A | 0 |
| Admitted gross deferred tax assets (para 10.b.i.) | N/A | 0 |
| Admitted gross deferred tax assets (para 10.c.) | Ordinary | 131,925 |
| Total admitted gross deferred tax assets | | 131,925 |
| Nonadmitted gross deferred tax assets | | 129,072 |

Notes to Financial Statement

Note 10. Information Concerning Parent, Subsidiaries and Affiliates

- A. HRI is owned 97% by Unity Health Care, Inc. (UHC), a federally qualified health center operating in the District of Columbia.
- B. As of March 31, 2010, HRI reported \$1,081,600 as amounts due from the Parent Company, Unity Health Care. These receivables are dated within 60 days.
- C. UHC is a credentialed health care provider in HRI's provider network. For the quarter ending March 31, 2010, HRI paid UHC \$2,033,534.06 providing healthcare to HRI's enrolled members.
- D. None.
- E. None.
- F. Management and Administrative Services Agreement: On January 1, 2000, HRI entered into a management and administrative service agreement with UHC to provide senior management support, medical personnel support, human resources and payroll support, and financial and accounting support. This agreement also provides the services of UHC's Executive Director and Medical Director part-time to function as the Chairman and the Medical Director of HRI. This agreement was amended in November 2008 to a cost-based contract. In accordance with the amended agreement, HRI shall reimburse UHC for the total allocated share of General and Administrative (G&A) Services. UHC shall accumulate G&A costs that benefit both HRI and UHC into a cost pool and shall allocate a fair share of the pool to HRI on a quarterly basis using direct labor as an allocation. Any services not accounted for in the G&A cost pool shall be charged to HRI at the full cost of such services, including labor, fringe, overhead, space, and any other reasonable, allocable cost of providing such services. The agreement is retroactive to June 1, 2008 and shall continue until terminated by either party, or at any time upon the mutual consent of the parties. The management fee incurred through December 31, 2009 under this agreement was \$149,374. As of March 31, 2010 HRI owes \$36,000 in management fees to UHC.
- G. HRI is primarily owned by UHC.
- H. None.
- I. None.
- J. None.

Note 11. Debt

None.

Note 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

HRI employees are covered by a defined contribution plan whereby contributions are matched up to 5% of each employee's compensation at the end of the each year. HRI's contribution for the plan was \$39,965 and \$36,522 for 2009 and 2008, respectively.

Note 13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

- 1) HRI has 1,000 shares authorized and issued and 369 shares outstanding.
- 2) HRI has no preferred stock outstanding.
- 3) Dividend restrictions – None.
- 4) Ordinary dividends – None.
- 5) Restrictions on surplus – None.

Notes to Financial Statement

- 6) Advances to surplus – None.
- 7) HRI has 631 shares of common stock held in treasury.
- 8) Changes of balance in surplus funds – None.
- 9) Unassigned funds (surplus) were reduced in as follows:
 - a) Unrealized gains and losses: \$0
 - b) Nonadmitted asset values: \$0
 - c) Separate account business: \$0
 - d) Asset valuation reserves: \$0
 - e) Provision for reinsurance: \$0
- 10) Surplus debentures or similar obligations – None.
- 11) Quasi-reorganizations – None.
- 12) Quasi-reorganizations – None.

Note 14. **Contingencies**

None.

Note 15. **Leases**

HRI entered into an office lease agreement commencing October 1, 2001 with an expiration date of September 30, 2011. The lease was amended in December 2005 for additional space, and the termination date was extended to July 31, 2013. The lease has an initial monthly payment approximating \$18,340 with an escalation of at least 2.5% per year. Rent expense incurred under the office lease for the years ended December 31, 2009 and 2008 was \$534,919 and \$423,584, respectively.

Future lease commitments under the agreement are estimated as follows:

| Years ending <u>December 31</u> | |
|------------------------------------|----------------|
| 2010 | 391,443 |
| 2011 | 409,843 |
| 2012 | 420,042 |
| 2013 | <u>250,310</u> |
| Total | \$ 1,471,638 |

Note 16. **Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk**

None.

Note 17. **Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

None.

Note 18. **Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

None.

Note 19. **Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

None.

Note 20. **Other Items**

Notes to Financial Statement

None.

Note 21. Events Subsequent

The District of Columbia Department of Health Care Finance’s (“DHCF”) contract with the Company to provide health care services for the District’s DC Healthy Families (Medicaid) and Alliance populations expired on April 30, 2010. The Company was notified in a letter dated April 1, 2010 of DHCF’s intent to not exercise Option Year Two of the contract. The contract with DHCF provided the primary source of revenue for the Company and, as a result of the non-renewal of the contract; substantial doubt exists about the Company’s ability to continue as a going concern.

Note 22. Reinsurance

HRI entered into a stop-loss insurance agreement with an insurance company to limit its losses on individual claims. Under the terms of this agreement, the insurance company will reimburse HRI approximately 90% of the cost of each member’s eligible annual hospital services and eligible medical services, in excess of \$100,000 per member, respectively; if services are performed in a “per diem” or approved fixed procedural fee hospital. In the event HRI ceases operations, plan benefits will continue for members until the end of the contract period for which premiums have been paid.

Stop loss insurance premiums as of March 31, 2010 was \$305,101. HRI had no reinsurance recoveries for the first quarter of 2010. Uncollectible Reinsurance and Commutation of Ceded Reinsurance – None.

In May 2006, HRI added a retro corridor to the reinsurance policy. In the event total eligible claims under the policy exceed 55% of the total premium due, the reinsurer will reimburse HRI an amount equal to 55% of the total premium. If total claims exceed the sum of 55% of the total premium due plus the pmpm multiplied by the annual member months, the responsibility for payment of the excess will also be of the reinsurer.

Note 23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

None.

Note 24. Change in Incurred Claims and Claim Adjustment Expenses

Reserves for claim adjustment expenses are \$612,000 March 31, 2010 for operational procedures and a new line of business.

Reserves for incurred claims attributable to insured events increased as of March 31, 2010 by approximately \$1.2 million from the previous year.

Note 25. Intercompany Pooling Arrangements

None.

Note 26. Structured Settlements

None.

Note 27. Health Care Receivables

None.

Note 28. Participating Policies

None.

Notes to Financial Statement

Note 29. **Premium Deficiency Reserves**

None.

Note 30. **Anticipated Salvage and Subrogation**

None.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes[] No[X]
- 1.2 If yes, has the report been filed with the domiciliary state?

Yes[] No[] N/A[X]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:
3. Have there been any substantial changes in the organizational chart since the prior quarter end?
If yes, complete the Schedule Y - Part 1 - organizational chart.

Yes[] No[X]
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

| 1 Name of Entity | 2 NAIC Company Code | 3 State of Domicile |
|---------------------|------------------------|------------------------|
| | | |

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation.

Yes[] No[] N/A[X]
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2008
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

03/08/2010
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

03/08/2010
- 6.4 By what department or departments?
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes[] No[] N/A[X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[] No[] N/A[X]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[] No[X]
- 7.2 If yes, give full information
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

| 1 Affiliate Name | 2 Location (City, State) | 3 FRB | 4 OCC | 5 OTS | 6 FDIC | 7 SEC |
|---------------------|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| | | Yes[] No[X] | Yes[] No[X] | Yes[] No[X] | Yes[] No[X] | Yes[] No[X] |

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

Yes[] No[X]
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended?

Yes[] No[X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes[] No[X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[X] No[]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$..... 1,081,600

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes[] No[X]
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$..... 0
13. Amount of real estate and mortgages held in short-term investments:

\$..... 0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes[] No[X]
- 14.2 If yes, please complete the following:

GENERAL INTERROGATORIES (Continued)

| | | 1 | 2 |
|-------|--|---|--|
| | | Prior Year-End Book/Adjusted Carrying Value | Current Quarter Book/Adjusted Carrying Value |
| 14.21 | Bonds | | |
| 14.22 | Preferred Stock | | |
| 14.23 | Common Stock | | |
| 14.24 | Short-Term Investments | | |
| 14.25 | Mortgages Loans on Real Estate | | |
| 14.26 | All Other | | |
| 14.27 | Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) | | |
| 14.28 | Total Investment in Parent included in Lines 14.21 to 14.26 above | | |

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes[] No[X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes[] No[] N/A[X]

If no, attach a description with this statement.

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes[] No[X]

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

| 1 | 2 |
|----------------------|---------------------------------|
| Name of Custodian(s) | Custodian Address |
| Sun Trust Bank | Washington, DC 20005-2108 |

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

| 1 | 2 | 3 |
|---------|-------------|-------------------------|
| Name(s) | Location(s) | Complete Explanation(s) |
| | | |

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

Yes[] No[X]

16.4 If yes, give full and complete information relating thereto:

| 1 | 2 | 3 | 4 |
|---------------|---------------|-------------------|--------|
| Old Custodian | New Custodian | Date of Change | Reason |
| | | | |

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

| 1 | 2 | 3 |
|------------------------------------|----------------------------------|--|
| Central Registration Depository | Name(s) | Address |
| Sun Trust Bank | Trustco Capital Management | 1445 New York Avenue, NW STE 800, Washington DC 20005 |

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes[] No[X]

17.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 2 - HEALTH

| | |
|--|--------------|
| 1. Operating Percentages: | |
| 1.1 A&H loss percent | 0% |
| 1.2 A&H cost containment percent | 0% |
| 1.3 A&H expense percent excluding cost containment expenses | 0% |
| 2.1 Do you act as a custodian for health savings accounts? | Yes[] No[X] |
| 2.2 If yes, please provide the amount of custodial funds held as of the reporting date. | \$..... 0 |
| 2.3 Do you act as an administrator for health savings accounts? | Yes[] No[X] |
| 2.4 If yes, please provide the balance of the funds administered as of the reporting date. | \$..... 0 |

SCHEDULE S - CEDED REINSURANCE
Showing All New Reinsurance Treaties - Current Year to Date

| 1 NAIC Company Code | 2 Federal ID Number | 3 Effective Date | 4 Name of Reinsurer | 5 Location | 6 Type of Reinsurance Ceded | 7 Is Insurer Authorized? (Yes or No) |
|------------------------------|------------------------------|------------------------|------------------------|---------------|--------------------------------------|---|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

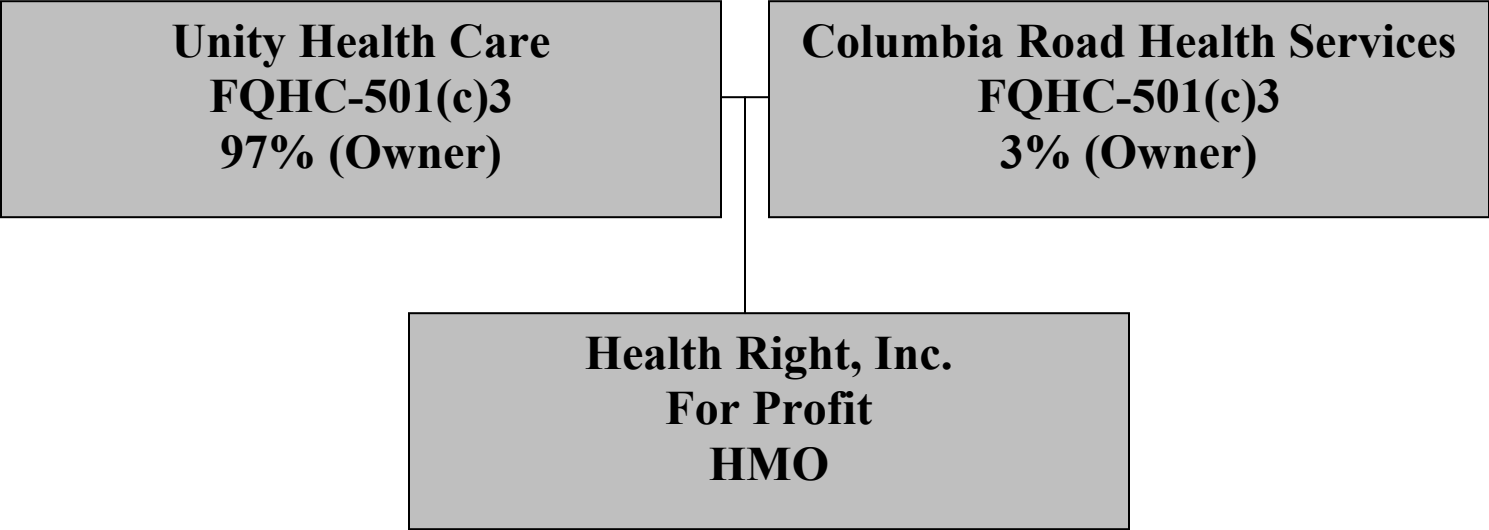
| | | 1 | Direct Business Only | | | | | | | |
|----------------------|---|---------------|------------------------------|----------------------|--------------------|--|--|-----------------------------|---------------------------|------------------------|
| | | | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| State, Etc. | | Active Status | Accident and Health Premiums | Medicare Title XVIII | Medicaid Title XIX | Federal Employees Health Benefits Program Premiums | Life and Annuity Premiums and Other Considerations | Property/ Casualty Premiums | Total Columns 2 Through 7 | Deposit-Type Contracts |
| 1. | Alabama (AL) | N | | | | | | | | |
| 2. | Alaska (AK) | N | | | | | | | | |
| 3. | Arizona (AZ) | N | | | | | | | | |
| 4. | Arkansas (AR) | N | | | | | | | | |
| 5. | California (CA) | N | | | | | | | | |
| 6. | Colorado (CO) | N | | | | | | | | |
| 7. | Connecticut (CT) | N | | | | | | | | |
| 8. | Delaware (DE) | N | | | | | | | | |
| 9. | District of Columbia (DC) | L | 12,347,953 | | 14,821,896 | | | | 27,169,849 | |
| 10. | Florida (FL) | N | | | | | | | | |
| 11. | Georgia (GA) | N | | | | | | | | |
| 12. | Hawaii (HI) | N | | | | | | | | |
| 13. | Idaho (ID) | N | | | | | | | | |
| 14. | Illinois (IL) | N | | | | | | | | |
| 15. | Indiana (IN) | N | | | | | | | | |
| 16. | Iowa (IA) | N | | | | | | | | |
| 17. | Kansas (KS) | N | | | | | | | | |
| 18. | Kentucky (KY) | N | | | | | | | | |
| 19. | Louisiana (LA) | N | | | | | | | | |
| 20. | Maine (ME) | N | | | | | | | | |
| 21. | Maryland (MD) | N | | | | | | | | |
| 22. | Massachusetts (MA) | N | | | | | | | | |
| 23. | Michigan (MI) | N | | | | | | | | |
| 24. | Minnesota (MN) | N | | | | | | | | |
| 25. | Mississippi (MS) | N | | | | | | | | |
| 26. | Missouri (MO) | N | | | | | | | | |
| 27. | Montana (MT) | N | | | | | | | | |
| 28. | Nebraska (NE) | N | | | | | | | | |
| 29. | Nevada (NV) | N | | | | | | | | |
| 30. | New Hampshire (NH) | N | | | | | | | | |
| 31. | New Jersey (NJ) | N | | | | | | | | |
| 32. | New Mexico (NM) | N | | | | | | | | |
| 33. | New York (NY) | N | | | | | | | | |
| 34. | North Carolina (NC) | N | | | | | | | | |
| 35. | North Dakota (ND) | N | | | | | | | | |
| 36. | Ohio (OH) | N | | | | | | | | |
| 37. | Oklahoma (OK) | N | | | | | | | | |
| 38. | Oregon (OR) | N | | | | | | | | |
| 39. | Pennsylvania (PA) | N | | | | | | | | |
| 40. | Rhode Island (RI) | N | | | | | | | | |
| 41. | South Carolina (SC) | N | | | | | | | | |
| 42. | South Dakota (SD) | N | | | | | | | | |
| 43. | Tennessee (TN) | N | | | | | | | | |
| 44. | Texas (TX) | N | | | | | | | | |
| 45. | Utah (UT) | N | | | | | | | | |
| 46. | Vermont (VT) | N | | | | | | | | |
| 47. | Virginia (VA) | N | | | | | | | | |
| 48. | Washington (WA) | N | | | | | | | | |
| 49. | West Virginia (WV) | N | | | | | | | | |
| 50. | Wisconsin (WI) | N | | | | | | | | |
| 51. | Wyoming (WY) | N | | | | | | | | |
| 52. | American Samoa (AS) | N | | | | | | | | |
| 53. | Guam (GU) | N | | | | | | | | |
| 54. | Puerto Rico (PR) | N | | | | | | | | |
| 55. | U.S. Virgin Islands (VI) | N | | | | | | | | |
| 56. | Northern Mariana Islands (MP) | N | | | | | | | | |
| 57. | Canada (CN) | N | | | | | | | | |
| 58. | Aggregate other alien (OT) | X X X | | | | | | | | |
| 59. | Subtotal | X X X | 12,347,953 | | 14,821,896 | | | | 27,169,849 | |
| 60. | Reporting entity contributions for Employee Benefit Plans | X X X | | | | | | | | |
| 61. | Total (Direct Business) | (a)..... 1 | 12,347,953 | | 14,821,896 | | | | 27,169,849 | |
| DETAILS OF WRITE-INS | | | | | | | | | | |
| 5801. | | X X X | | | | | | | | |
| 5802. | | X X X | | | | | | | | |
| 5803. | | X X X | | | | | | | | |
| 5898. | Summary of remaining write-ins for Line 58 from overflow page | X X X | | | | | | | | |
| 5899. | TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above) | X X X | | | | | | | | |

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

HEALTH RIGHT, INC.
OWNERSHIP STRUCTURE



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

| RESPONSE |
|----------|
| No |

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



95787201036500001

2010

Document Code: 365

OVERFLOW PAGE FOR WRITE-INS

ASSETS

| | Current Statement Date | | | 4 December 31, Prior Year Net Admitted Assets |
|--|------------------------|--------------------------------|--|--|
| | 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1 - 2) | |
| 1004. 0 | | | | |
| 1097. Summary of remaining write-ins for Line 10 (Lines 1004 through 1096) | | | | |
| 2404. Receivable From Providers | | | | 319,602 |
| 2497. Summary of remaining write-ins for Line 24 (Lines 2404 through 2496) | | | | 319,602 |

SCHEDULE A - VERIFICATION

Real Estate

| | | 1 | 2 |
|-----|--|--------------|---------------------------------|
| | | Year To Date | Prior Year Ended December 31 |
| 1. | Book/adjusted carrying value, December 31 of prior year | | |
| 2. | Cost of acquired | | |
| | 2.1 Actual cost at time of acquisition | | |
| | 2.2 Additional investment made after acquisition | | |
| 3. | Current year change in encumbrances | | |
| 4. | Total gain (loss) on disposals | | |
| 5. | Deduct amounts received on disposals | | |
| 6. | Total foreign exchange change in book/adjusted carrying value | | |
| 7. | Deduct current year's other than temporary impairment recognized | | |
| 8. | Deduct current year's depreciation | | |
| 9. | Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8) | | |
| 10. | Deduct total nonadmitted amounts | | |
| 11. | Statement value at end of current period (Line 9 minus Line 10) | | |

SCHEDULE B - VERIFICATION

Mortgage Loans

| | | 1 | 2 |
|-----|---|--------------|---------------------------------|
| | | Year To Date | Prior Year Ended December 31 |
| 1. | Book value/recorded investment excluding accrued interest, December 31 of prior year | | |
| 2. | Cost of acquired: | | |
| | 2.1 Actual cost at time of acquisition | | |
| | 2.2 Additional investment made after acquisition | | |
| 3. | Capitalized deferred interest and other | | |
| 4. | Accrual of discount | | |
| 5. | Unrealized valuation increase (decrease) | | |
| 6. | Total gain (loss) on disposals | | |
| 7. | Deduct amounts received on disposals | | |
| 8. | Deduct amortization of premium and mortgage interest points and commitment fees | | |
| 9. | Total foreign exchange change in book value/recorded investment excluding accrued interest | | |
| 10. | Deduct current year's other than temporary impairment recognized | | |
| 11. | Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10) | | |
| 12. | Total valuation allowance | | |
| 13. | Subtotal (Line 11 plus Line 12) | | |
| 14. | Deduct total nonadmitted amounts | | |
| 15. | Statement value at end of current period (Line 13 minus Line 14) | | |

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

| | | 1 | 2 |
|-----|--|--------------|---------------------------------|
| | | Year To Date | Prior Year Ended December 31 |
| 1. | Book/adjusted carrying value, December 31 of prior year | | |
| 2. | Cost of acquired: | | |
| | 2.1 Actual cost at time of acquisition | | |
| | 2.2 Additional investment made after acquisition | | |
| 3. | Capitalized deferred interest and other | | |
| 4. | Accrual of discount | | |
| 5. | Unrealized valuation increase (decrease) | | |
| 6. | Total gain (loss) on disposals | | |
| 7. | Deduct amounts received on disposals | | |
| 8. | Deduct amortization of premium and depreciation | | |
| 9. | Total foreign exchange change in book/adjusted carrying value | | |
| 10. | Deduct current year's other than temporary impairment recognized | | |
| 11. | Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10) | | |
| 12. | Deduct total nonadmitted amounts | | |
| 13. | Statement value at end of current period (Line 11 minus Line 12) | | |

SCHEDULE D - VERIFICATION

Bonds and Stocks

| | | 1 | 2 |
|-----|---|--------------|---------------------------------|
| | | Year To Date | Prior Year Ended December 31 |
| 1. | Book/adjusted carrying value of bonds and stocks, December 31 of prior year | | |
| 2. | Cost of bonds and stocks acquired | | |
| 3. | Accrual of discount | | |
| 4. | Unrealized valuation increase (decrease) | | |
| 5. | Total gain (loss) on disposals | | |
| 6. | Deduct consideration for bonds and stocks disposed of | | |
| 7. | Deduct amortization of premium | | |
| 8. | Total foreign exchange change in book/adjusted carrying value | | |
| 9. | Deduct current year's other than temporary impairment recognized | | |
| 10. | Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) | | |
| 11. | Deduct total nonadmitted amounts | | |
| 12. | Statement value at end of current period (Line 10 minus Line 11) | | |

SCHEDULE D - PART 1B
Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|--|---|---|---|--|---|--|--|
| | Book/Adjusted Carrying Value Beginning of Current Quarter | Acquisitions During Current Quarter | Dispositions During Current Quarter | Non-Trading Activity During Current Quarter | Book/Adjusted Carrying Value End of First Quarter | Book/Adjusted Carrying Value End of Second Quarter | Book/Adjusted Carrying Value End of Third Quarter | Book/Adjusted Carrying Value December 31 Prior Year |
| BONDS | | | | | | | | |
| 1. Class 1 (a) | | | | | | | | |
| 2. Class 2 (a) | | | | | | | | |
| 3. Class 3 (a) | | | | | | | | |
| 4. Class 4 (a) | | | | | | | | |
| 5. Class 5 (a) | | | | | | | | |
| 6. Class 6 (a) | | | | | | | | |
| 7. Total Bonds | | | | | | | | |
| PREFERRED STOCK | | | | | | | | |
| 8. Class 1 | | | | | | | | |
| 9. Class 2 | | | | | | | | |
| 10. Class 3 | | | | | | | | |
| 11. Class 4 | | | | | | | | |
| 12. Class 5 | | | | | | | | |
| 13. Class 6 | | | | | | | | |
| 14. Total Preferred Stock | | | | | | | | |
| 15. Total Bonds & Preferred Stock | | | | | | | | |

Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0

SCHEDULE DA - PART 1

Short - Term Investments

| | 1 Book/Adjusted Carrying Value | 2 Par Value | 3 Actual Cost | 4 Interest Collected Year To Date | 5 Paid for Accrued Interest Year To Date |
|-----------------------|---|--------------------|-------------------------|---|---|
| 9199999. Totals | 5,111,719 | X X X | | | |

SCHEDULE DA - Verification

Short-Term Investments

| | | 1 Year To Date | 2 Prior Year Ended December 31 |
|-----|--|-----------------------|--|
| 1. | Book/adjusted carrying value, December 31 of prior year | 5,110,877 | 28,143,694 |
| 2. | Cost of short-term investments acquired | | |
| 3. | Accrual of discount | | |
| 4. | Unrealized valuation increase (decrease) | 842 | |
| 5. | Total gain (loss) on disposals | | |
| 6. | Deduct consideration received on disposals | | 23,032,817 |
| 7. | Deduct amortization of premium | | |
| 8. | Total foreign exchange change in book/adjusted carrying value | | |
| 9. | Deduct current year's other than temporary impairment recognized | | |
| 10. | Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) | 5,111,719 | 5,110,877 |
| 11. | Deduct total nonadmitted amounts | | |
| 12. | Statement value at end of current period (Line 10 minus Line 11) | 5,111,719 | 5,110,877 |

SCHEDULE DB - PART A - VERIFICATION

Options, Caps, Floors, Collars, Swaps and Forwards

| | | |
|-----|---|-------|
| 1. | Book Adjusted Carrying Value, December 31, prior year (Line 8, prior year) | |
| 2. | Cost Paid/(Consideration Received) on additions | |
| 3. | Unrealized Valuation increase/(decrease) | |
| 4. | Total recognized terminations | |
| 5. | Considerations received/(paid) on terminations | |
| 6. | Amortization | |
| 7. | Adjustment to the Book/Adjusted Carrying Value of hedge item | |
| 8. | Total foreign exchange change in Book/Adjusted Carrying Value | |
| 9. | Book/Adjusted Carrying Value at End of Current Period (Lines 1 + 2 + 3 + 4 - 5 + 6 + 7 + 8) | |
| 10. | Deduct nonadmitted assets | |
| 11. | Statement value at end of current period (Line 9 minus Line 10) | |

SCHEDULE DB - PART B - VERIFICATION

Futures Contracts

| | | | | | |
|------|---|-------|--|--|-------|
| 1. | Book/Adjusted Carrying Value, December 31 of prior year | | | | |
| 2. | Net Cash Deposits (Section 1, Broker Name/Net Cash Deposits Footnote) | | | | |
| 3.1 | Change in variation margin on open contracts | | | | |
| 3.2 | Add: | | | | |
| | Change in adjustment to basis of hedged item | | | | |
| 3.21 | Section 1, Column 16, current year minus | | | | |
| 3.22 | Section 1, Column 16, prior year | | | | |
| | Change in amount recognized | | | | |
| 3.23 | Section 1, Column 15, current year minus | | | | |
| 3.24 | Section 1, Column 15, prior year | | | | |
| 3.3 | Subtotal (Line 3.1 minus Line 3.2) | | | | |
| 4.1 | Variation Margin on terminated contracts during the year | | | | |
| 4.2 | Less: | | | | |
| 4.21 | Amount used to adjust basis of hedged item | | | | |
| 4.22 | Amount recognized | | | | |
| 4.3 | Subtotal (Line 4.1 minus Line 4.2) | | | | |
| 5. | Dispositions gains (losses) on contracts terminated in prior year: | | | | |
| 5.1 | Recognized | | | | |
| 5.2 | Used to adjust basis of hedged items | | | | |
| 6. | Book Adjusted Carrying Value at end of current period (Lines 1 + 2 + 3.3 - 4.3 - 5.1 - 5.2) | | | | |
| 7. | Deduct total nonadmitted amounts | | | | |
| 8. | Statement value at end of current period (Line 6 minus Line 7) . | | | | |

SCHEDULE DB - PART C - SECTION 1
Replication (Synthetic Asset) Transactions Open as of Current Statement Date

| Replication (Synthetic Asset) Transactions | | | | | | | | Components of the Replication (Synthetic Asset) Transactions | | | | | | | |
|--|----------------------|--|-----------------------------|--|---------------------|----------------------------|---------------------------|--|---------------------------------|------------|-------------------------|-------------|--|---------------------------------|------------|
| 1 Replication RSAT Number | 2 Description | 3 NAIC Designation or Other Description | 4 Notional Amount | 5 Book/Adjusted Carrying Value | 6 Fair Value | 7 Effective Date | 8 Maturity Date | Derivative Instrument(s) Open | | | Cash Instrument(s) Held | | | | |
| | | | | | | | | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| | | | | | | | | Description | Book/Adjusted Carrying Value | Fair Value | CUSIP | Description | NAIC Designation or Other Description | Book/Adjusted Carrying Value | Fair Value |
| 9999999 Totals | | | | | | X X X | X X X | X X X | | X X X | | X X X | | | |

SCHEDULE DB - PART C - SECTION 2
Replication (Synthetic Asset) Transactions Open

| | | First Quarter | | Second Quarter | | Third Quarter | | Fourth Quarter | | Year-To-Date | |
|----|---|---------------------|--|---------------------|--|---------------------|--|---------------------|--|---------------------|--|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| | | Number of Positions | Total Replication (Synthetic Asset) Transactions Statement Value | Number of Positions | Total Replication (Synthetic Asset) Transactions Statement Value | Number of Positions | Total Replication (Synthetic Asset) Transactions Statement Value | Number of Positions | Total Replication (Synthetic Asset) Transactions Statement Value | Number of Positions | Total Replication (Synthetic Asset) Transactions Statement Value |
| 1. | Beginning Inventory | | | | | | | | | | |
| 2. | Add: Opened or Acquired Transactions | | | | | | | | | | |
| 3. | Add: Increases in Replication (Synthetic Asset) Transactions Statement Value | X X X | | X X X | | X X X | | X X X | | X X X | |
| 4. | Less: Closed or Disposed of Transactions | | | | | | | | | | |
| 5. | Less: Positions Disposed of for Failing Effectiveness Criteria | | | | | | | | | | |
| 6. | Less: Decreases in Replication (Synthetic Asset) Transactions Statement Value | X X X | | X X X | | X X X | | X X X | | X X X | |
| 7. | Ending Inventory | | | | | | | | | | |

SCHEDULE DB - VERIFICATION

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

| | | | |
|----|--|--|--|
| | | Book/Adjusted Carrying Value Check | |
| 1. | Part A, Section 1, Column 14 | | |
| 2. | Part B, Section 1, Net Broker Cash Deposit Write-in (Footnote) | | |
| 3. | Part B, Section 1, Column 17 | | |
| 4. | Subtotal (Line 2 minus Line 3) | | |
| 5. | Total (Line 1 plus Line 4) | | |
| 6. | Part D, Column 5 | | |
| 7. | Part D, Column 6 | | |
| 8. | Total (Line 5 minus Line 6 minus Line 7) | | |

| | | | |
|-----|---|---------------------|--|
| | | Fair Value Check | |
| 9. | Part A, Section 1, Column 16 | | |
| 10. | Part B, Section 1, Column 2 (Number of Contracts) multiplied by Column 12 (Reporting Date Price) | | |
| 11. | Total (Line 9 plus Line 10) | | |
| 12. | Part D, Column 8 | | |
| 13. | Part D, Column 9 | | |
| 14. | Total (Line 11 minus Line 12 minus Line 13) | | |

| | | | |
|-----|--|-----------------------------|--|
| | | Potential Exposure Check | |
| 15. | Part A, Section 1, Column 21 | | |
| 16. | Part B, Section 1, Column 18 | | |
| 17. | Part D, Column 11 | | |
| 18. | Total (Line 15 plus Line 16 minus Line 17) | | |

SCHEDULE E - Verification
(Cash Equivalents)

| | | 1 | 2 |
|-----|--|--------------|---------------------------------|
| | | Year To Date | Prior Year Ended December 31 |
| 1. | Book/adjusted carrying value, December 31 of prior year | 23,316,000 | |
| 2. | Cost of cash equivalents acquired | 2,345,000 | 23,316,000 |
| 3. | Accrual of discount | | |
| 4. | Unrealized valuation increase (decrease) | | |
| 5. | Total gain (loss) on disposals | | |
| 6. | Deduct consideration received on disposals | | |
| 7. | Deduct amortization of premium | | |
| 8. | Total foreign exchange change in book/adjusted carrying value | | |
| 9. | Deduct current year's other than temporary impairment recognized | | |
| 10. | Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) | 25,661,000 | 23,316,000 |
| 11. | Deduct total nonadmitted amounts | | |
| 12. | Statement value at end of current period (Line 10 minus Line 11) | 25,661,000 | 23,316,000 |

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter

| 1 < |
|--|
|--|

SCHEDULE A - PART 3

Showing All Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract"

| 1 Description of Property | Location | | 4 Disposal Date | 5 Name of Purchaser | 6 Actual Cost | 7 Expended for Additions, Permanent Improvements and Changes in Encumbrances | 8 Book/Adjusted Carrying Value Less Encumbrances Prior Year | Change in Book/Adjusted Carrying Value Less Encumbrances | | | | | 14 Book/Adjusted Carrying Value Less Encumbrances on Disposal | 15 Amounts Received During Year | 16 Foreign Exchange Gain (Loss) on Disposal | 17 Realized Gain (Loss) on Disposal | 18 Total Gain (Loss) on Disposal | 19 Gross Income Earned Less Interest Incurred on Encumbrances | 20 Taxes, Repairs and Expenses Incurred |
|--|---------------|----------------|---------------------------|-------------------------------|-------------------------|--|--|--|---|---|--|--|--|--|--|---|--|--|--|
| | 2 City | 3 State | | | | | | 9 Current Year's Depreciation | 10 Current Year's Other Than Temporary Impairment Recognized | 11 Current Year's Change in Encumbrances | 12 Total Change in B/A C.V. (11 - 9 - 10) | 13 Total Foreign Exchange Change in B/A C.V. | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| 0399999 Totals | | | | | | | | | | | | | | | | | | | |

SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Quarter

| 1 | Location | | 4 | 5 | 6 | 7 | 8 | 9 |
|--|----------|-------|-----------|---------------|------------------|------------------------------------|--|-----------------------------|
| | 2 | 3 | | | | | | |
| Loan Number | City | State | Loan Type | Date Acquired | Rate of Interest | Actual Cost at Time of Acquisition | Additional Investment Made After Acquisition | Value of Land and Buildings |
| 3399999 Total Mortgages (sum of Lines 0899999, 1699999, 2499999 and 3299999) | | | | | | | | |

SCHEDULE B - PART 3

Showing All Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

| 1 | Location | | 4 | 5 | 6 | 7 | Change in Book Value/Recorded Investment | | | | | | 14 | 15 | 16 | 17 | 18 |
|----------------|----------|-------|-----------|---------------|---------------|--|--|--|---|---|--|---|--|----------------|--|----------------------------------|-------------------------------|
| | 2 | 3 | | | | | 8 | 9 | 10 | 11 | 12 | 13 | | | | | |
| Loan Number | City | State | Loan Type | Date Acquired | Disposal Date | Book Value/Recorded Investment Excluding Accrued Interest Prior Year | Unrealized Valuation Increase (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Capitalized Deferred Interest and Other | Total Change in Book Value (8+9-10+11) | Total Foreign Exchange Change in Book Value | Value/Recorded Investment Excluding Accrued Interest on Disposal | Consider-ation | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal |
| 0599999 Totals | | | | | | | | | | | | | | | | | |

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

| 1 CUSIP Identification | 2 Name or Description | Location | | 5 Name of Vendor or General Partner | 6 NAIC Designation | 7 Date Originally Acquired | 8 Type and Strategy | 9 Actual Cost at Time of Acquisition | 10 Additional Investment Made After Acquisition | 11 Amount of Encumbrances | 12 Commitment for Additional Investment | 13 Percentage of Ownership | |
|------------------------------------|---------------------------------|---------------|----------------|---|------------------------------|---|-------------------------------|---|---|--|---|--------------------------------------|-------------------|
| | | 3 City | 4 State | | | | | | | | | | |
| 3999999 Total - Unaffiliated | | | | | | | | | | | | | X X X |
| 4099999 Total - Affiliated | | | | | | | | | | | | | X X X |
| 4199999 TOTALS | | | | | | | | | | | | | X X X |

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

| 1 | 2 | Location | | 5 | 6 | 7 | 8 | Change in Book/Adjusted Carrying Value | | | | | | 15 | 16 | 17 | 18 | 19 | 20 |
|------------------------------|------------------------|----------|-------|--|--------------------------------|------------------|--|---|--|---|--|---|--|--|---------------|---|---|--|----------------------|
| | | 3 | 4 | | | | | 9 | 10 | 11 | 12 | 13 | 14 | | | | | | |
| CUSIP Identification | Name or Description | City | State | Name of Purchaser or Nature of Disposal | Date Originally Acquired | Disposal Date | Book/Adjusted Carrying Value Less Encumbrances, Prior Year | Unrealized Valuation Increase (Decrease) | Current Year's (Depreciation) or (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Capitalized Deferred Interest and Other | Total Change in B./A.C.V. (9 + 10 - 11 + 12) | Total Foreign Exchange Change in B./A.C.V. | Book/Adjusted Carrying Value Less Encumbrances on Disposal | Consideration | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Investment Income |
| 3999999 Total - Unaffiliated | | | | | | | | | | | | | | | | | | | |
| 4099999 Total - Affiliated | | | | | | | | | | | | | | | | | | | |
| 4199999 TOTALS | | | | | | | | | | | | | | | | | | | |

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|-------------------------|--|---------|---------------|-------------------|------------------------------|-------------|-----------|--|---|
| CUSIP Identification | Description | Foreign | Date Acquired | Name of Vendor | Number of Shares of Stock | Actual Cost | Par Value | Paid for Accrued Interest and Dividends | NAIC Designation or Market Indicator (a) |
| 8399998 | Summary Item from Part 5 for Bonds (N/A to Quarterly) | | | | X X X | X X X | X X X | X X X | X X X |
| 8999998 | Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly) | | | | X X X | X X X | X X X | X X X | X X X |
| 9799998 | Summary Item from Part 5 for Common Stocks (N/A to Quarterly) | | | | X X X | X X X | X X X | X X X | X X X |
| 9899999 | Subtotal - Preferred and Common Stocks | | | | X X X | | X X X | | X X X |
| 9999999 | Total - Bonds, Preferred and Common Stocks | | | | X X X | | X X X | | X X X |

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

SCHEDULE D - PART 4
Show All Long-Term Bonds and Stocks Sold, Redeemed, or Otherwise Disposed of
During the Current Quarter

| 1 | 2 | 3 F o r e i g n | 4 Disposal Date | 5 Name of Purchaser | 6 Number of Shares of Stock | 7 Consideration | 8 Par Value | 9 Actual Cost | 10 Prior Year Book/ Adjusted Carrying Value | Change in Book/Adjusted Carrying Value | | | | | 16 Book/ Adjusted Carrying Value at Disposal Date | 17 Foreign Exchange Gain (Loss) on Disposal | 18 Realized Gain (Loss) on Disposal | 19 Total Gain (Loss) on Disposal | 20 Bond Interest/ Stock Dividends Received During Year | 21 Maturity Date | 22 NAIC Designation or Market Indicator (a) | |
|---------|--|--------------------------------------|-----------------------|---------------------------|--------------------------------------|--------------------|-------------------|---------------------|--|--|--|---|---|--|--|---|--|---|---|------------------------|---|-----|
| | | | | | | | | | | 11 Unrealized Valuation Increase/ (Decrease) | 12 Current Year's (Amortization)/ Accretion | 13 Current Year's Other Than Temporary Impairment Recognized | 14 Total Change in B./A.C.V. (11 + 12 - 13) | 15 Total Foreign Exchange Change in B./A.C.V. | | | | | | | | |
| CUSIP | Description | | | | | | | | | | | | | | | | | | | | | |
| 8399998 | Summary Item from Part 5 for Bonds (N/A to Quarterly) | | | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 8999998 | Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly) | | | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 9799998 | Summary Item from Part 5 for Common Stocks (N/A to Quarterly) | | | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 9899999 | Subtotal - Preferred and Common Stocks | | | | XXX | | XXX | | | | | | | | | | | | | | XXX | |
| 9999999 | Total - Bonds, Preferred and Common Stocks | | | | XXX | | XXX | | | | | | | | | | | | | | XXX | |

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 |
|---|---|------------------------------------|-----------------------|-----------------------------|---------------|--------------------------------------|---------------------------|--------------------|--|--|---|------------------------|--|------|---------------|--|--|---|---|-----------------------|---|--|
| Description | Description of Items Hedged or Used for Income Generation | Schedule/ Exhibit Identifier | Type(s) of Risk(s) | Exchange or Counterparty | Trade Date | Date of Maturity or Expiration | Number of Contracts | Notional Amount | Strike Price, Rate of Indexed Received (Paid) | Prior Year Initial Cost of Premium Received (Paid) | Current Year Initial Cost of Premium Received (Paid) | Current Year Income | Book/ Adjusted Carrying Value | Code | Fair Value | Unrealized Valuation Increase/ (Decrease) | Total Foreign Exchange Change in B./A.C.V. | Current Year's (Amortization) Accretion | Adjustment to Carry Value of Hedged Item | Potential Exposure | Credit Quality of Reference Entity | Hedge Effectiveness at Inception and at Quarter end (a) |
| 0369999 Total - Purchased Options - Call Options and Warrants | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |
| 0379999 Total - Purchased Options - Put Options | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |
| 0389999 Total - Purchased Options - Caps | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |
| 0399999 Total - Purchased Options - Floors | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |
| 0409999 Total - Purchased Options - Collars | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |
| 0419999 Total - Purchased Options - Other | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |
| 0429999 Total - Purchased Options | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |
| 0789999 Total - Written Options - Call Options and Warrants | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |
| 0799999 Total - Written Options - Put Options | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |
| 0809999 Total - Written Options - Caps | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |
| 0819999 Total - Written Options - Floors | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |
| 0829999 Total - Written Options - Collars | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |
| 0839999 Total - Written Options - Other | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |
| 0849999 Total - Written Options | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |
| 1159999 Total - Swaps - Interest Rate | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |
| 1169999 Total - Swaps - Credit Default | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |
| 1179999 Total - Swaps - Foreign Exchange | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |
| 1189999 Total - Swaps - Total Return | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |
| 1199999 Total - Swaps - Other | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |
| 1209999 Total - Swaps | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |
| 1399999 Grand Total - Hedging Effective | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |
| 1409999 Grand Total - Hedging Other | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |
| 1419999 Grand Total - Replication | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |
| 1429999 Grand Total - Income Generation | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |
| 1439999 Grand Total - Other | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |
| 1449999 GRAND TOTAL | | | | | | | | | | | | | | XXX | | | | | | | XXX | XXX |

QE06

| | | |
|-------|------|---|
| | 1 | 2 |
| | Code | Financial or Economic Impact of the Hedge at the End of the Reporting Period |
| A0001 | 0000 | |

SCHEDULE DB - PART B - SECTION 1

Futures Contracts Open as of the Current Statement Date

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | Change in Valuation Margin | | | | 18 | 19 |
|---|---------------------|-----------------|-------------|-------------------------------|------------------------------|--------------------|--------------------------------|----------|------------|-------------------|----------------------|-------------------------------|----------------------------|--|---|----------|--------------------|---|
| | | | | | | | | | | | | | 14 | 15 | 16 | 17 | | |
| Ticker Symbol | Number of Contracts | Notional Amount | Description | Description of Hedged Item(s) | Schedule/ Exhibit Identifier | Type(s) of Risk(s) | Date of Maturity or Expiration | Exchange | Trade Date | Transaction Price | Reporting Date Price | Book/ Adjusted Carrying Value | Cumulative | Gain (Loss) Recognized in Current Year | Gain (Loss) Used to Adjusted Basis of Hedged Item | Deferred | Potential Exposure | Hedge Effectiveness at Inception and at Quarter-end (a) |
| 1399999 Total - Hedging Effective | | | | | | | | | | | | | | | | | | X X X |
| 1409999 Total - Hedging Other | | | | | | | | | | | | | | | | | | X X X |
| 1419999 Total - Replication | | | | | | | | | | | | | | | | | | X X X |
| 1429999 Total - Income Generation | | | | | | | | | | | | | | | | | | X X X |
| 1439999 Total - Other | | | | | | | | | | | | | | | | | | X X X |
| 1449999 Grand Total | | | | | | | | | | | | | | | | | | X X X |

| | | |
|---------|---------------------------------|-------------------|
| | 1 | 2 |
| | Broker Name | Net Cash Deposits |
| 9999999 | | |
| 9999999 | Total - Net Cash Deposits | |

| | | |
|-------|------------|--|
| | 1 | 2 |
| | Code | Financial or Economic Impact of the Hedge at the End of the Reporting Period |
| A0001 | .. 0000 .. | |

SCHEDULE DB - PART D

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

| 1 | 2 | 3 | 4 | Book/Adjusted Carrying Value | | | Fair Value | | | 11 | 12 |
|--|---------------------------------|--|---|--|--|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------|-----------------------|----------------------------------|
| | | | | 5 | 6 | 7 | 8 | 9 | 10 | | |
| Description Counterparty or Exchange Traded | Master Agreement (Y or N) | Credit Support Annex (Y or N) | Fair Value of Acceptable Collateral | Contracts With Book/ Adjusted Carrying Value > 0 | Contracts With Book/ Adjusted Carrying Value < 0 | Exposure net of Collateral | Contracts With Fair Value > 0 | Contracts With Fair Value < 0 | Exposure Net of Collateral | Potential Exposure | Off-Balance Sheet Exposure |
| 0199999 Aggregate Sum of Exchange Traded Derivatives | | | | | | | | | | | |
| 0899999 Total | | | | | | | | | | | |

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

| 1 | | | 2 | 3 | 4 | 5 | Book Balance at End of Each Month During Current Quarter | | | 9 |
|--|---------------------|-------|-------|---------------------|---|---|---|-----------------|----------------|-------|
| | | | | | Amount of Interest Received During Current Quarter | Amount of Interest Accrued at Current Statement Date | 6 | 7 | 8 | |
| Depository | | | Code | Rate of Interest | | | First Month | Second Month | Third Month | * |
| open depositories | | | | | | | | | | |
| Business | | | | | | | | | | |
| Checking-Operations Account | SunTrust Bank | | | | | | (590,180) | (392,099) | 327,683 | X X X |
| Business Checking-Beacon | | | | | | | | | | |
| Health Account | SunTrust Bank | | | | | | 34,755 | 36,693 | 25,526 | X X X |
| | | | | | | | | | | X X X |
| 0199998 Deposits in0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories | | | X X X | X X X .. | | | | | | X X X |
| 0199999 Totals - Open Depositories | | | X X X | X X X .. | | | (555,425) | (355,406) | 353,209 | X X X |
| 0299998 Deposits in0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories | | | X X X | X X X .. | | | | | | X X X |
| 0299999 Totals - Suspended Depositories | | | X X X | X X X .. | | | | | | X X X |
| 0399999 Total Cash On Deposit | | | X X X | X X X .. | | | (555,425) | (355,406) | 353,209 | X X X |
| 0499999 Cash in Company's Office | | | X X X | X X X .. | X X X .. | X X X .. | | | | X X X |
| 0599999 Total Cash | | | X X X | X X X .. | | | (555,425) | (355,406) | 353,209 | X X X |

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--|------|------------------|---------------------|------------------|---------------------------------|--|--------------------------------|
| Description | Code | Date Acquired | Rate of Interest | Maturity Date | Book/Adjusted Carrying Value | Amount of Interest Due & Accrued | Amount Received During Year |
| All Other Governments - Defined Multi-Class Residential Mortgage-Backed Securities | | | 0.000 | | 25,661,000 | | |
| 0699999 Subtotals - All Other Governments - Defined Multi-Class Residential Mortgage-Backed Securities | | | | | 25,661,000 | | |
| 1099999 Subtotals - All Other Governments | | | | | 25,661,000 | | |
| 7999999 Subtotals - Defined Multi-Class Residential Mortgage-Backed Securities | | | | | 25,661,000 | | |
| 8399999 Subtotals - Bonds | | | | | 25,661,000 | | |
| Sweep Accounts | | | | | | | |
| Suntrust Bank | | | 0.014 | | | | |
| 8499999 Sweep Accounts | | | | | | | |
| 8599999 Other Cash Equivalents | | | | | | | |
| 8699999 Total - Cash Equivalents | | | | | 25,661,000 | | |



MEDICARE PART D COVERAGE SUPPLEMENT
Net of Reinsurance
For the Quarter Ended March 31, 2010

NAIC Group Code:

NAIC Company Code: 95787

| | | Individual Coverage | | Group Coverage | | 5 Total Cash |
|-----|---|---------------------|----------------|----------------|----------------|--------------------|
| | | 1 Insured | 2 Uninsured | 3 Insured | 4 Uninsured | |
| 1. | Premiums Collected | | X X X | | X X X | |
| 2. | Earned Premiums | | X X X | | X X X | X X X |
| 3. | Claims Paid | | X X X | | X X X | |
| 4. | Claims Incurred | | X X X | | X X X | X X X |
| 5. | Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a) | X X X | | X X X | | |
| 6. | Aggregate Policy Reserves - change | | X X X | | X X X | X X X |
| 7. | Expenses Paid | | X X X | | X X X | |
| 8. | Expenses Incurred | | X X X | | X X X | X X X |
| 9. | Underwriting Gain or Loss | | X X X | | X X X | X X X |
| 10. | Cash Flow Results | X X X | X X X | X X X | X X X | |

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$.....0 due from CMS or \$.....0 due to CMS

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